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BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN  
Commissioner  
WILLIAM A. MUNDELL  
Commissioner  
MARC SPITZER  
Commissioner

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ARIZONA CORPORATION COMMISSION  
DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION OF )  
NATEL, LLC FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY TO )  
COMPETITIVE INTEREXCHANGE )  
TELECOMMUNICATIONS SERVICES AS A )  
RESELLER EXCEPT LOCAL EXCHANGE )  
SERVICES. )

DOCKET NO. T-03878A-00-0317

**STAFF'S FAIR VALUE RATE  
BASE COMMENTS**

Natel, LLC ("Applicant") did not file a response to the October 12, 2000 Procedural Order's requirement that the Applicant file Fair Value Rate Base ("FVRB") information in support of its application for a Certificate of Convenience and Necessity ("CC&N"). The October 12, 2000 Procedural Order ordered the Utilities Division Staff ("Staff") to file disagreements with the proposed FVRB and/or rates and charges within 60 days of the Procedural Order. Staff hereby files its comments as required by the October 12, 2000 Procedural Order.

Because the Applicant did not file FVRB comments, Staff has insufficient information for analysis and recommendation for a fair value finding in this case.

Staff recommends that the Applicant should be required to file in this Docket, within 18 months of the date it first provides service following certification, sufficient information for Staff analysis and recommendation for a fair value finding, as well as for an analysis and recommendation for permanent tariff approval. Staff believes that this information must include, at a minimum, the following:

1. A dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers by the Applicant following certification, adjusted to reflect the **maximum rates** that the Applicant has requested in its tariff. This adjusted total revenue figure could be calculated as the number of units sold for all services offered times the maximum charge per unit;

1           2. The total actual operating expenses for the first twelve months of  
2 telecommunications service provided to Arizona customers by the Applicant following  
certification; and

3           3. The value of **all assets**, listed by major category, used for the first twelve  
4 months of telecommunications service provided to Arizona customers by the Applicant  
5 following certification. Assets are not limited to plant and equipment. Items such as  
office equipment and office supplies should be included in this list.

6           Staff recommends that the Applicant's proposed tariffs be approved on an interim basis  
7 pending its timely provision of the above-described data to the Commission, and that the Applicant's  
8 failure to timely file sufficient information for Staff analysis and recommendation for a fair value  
9 finding and permanent tariffs should result in the expiration of the Applicant's CC&N and interim  
10 tariffs. In addition, if there are any disagreements with any FVRB information that the Applicant  
11 files, the Order granting the Applicant's CC&N should be stayed pending resolution of those  
12 disagreements.

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14           RESPECTFULLY SUBMITTED this 4<sup>th</sup> day of January, 2001.

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17           Devinti M. Williams  
18           Arizona Corporation Commission  
19           Attorney, Legal Division  
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20           The original and fifteen copies  
21 of the foregoing filed this 4<sup>th</sup> day  
of January, 2000, with:

22           Docket Control  
23           Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

24           Copy of the foregoing was  
25 mailed this 4<sup>th</sup> day of  
January, 2001 to:

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